

Chapter 9: Other Economic Sectors

1 Overview and Key Findings

While agriculture and recreation-related businesses are clearly the economic drivers in the predominantly rural Delta Primary Zone, there are important economic linkages that attract manufacturing, real estate firms, and construction companies to locate nearby. This chapter examines the manufacturing, real estate, and construction sectors to detail the importance of these businesses in the Delta economy.

- ***Manufacturing, with close ties to agriculture and recreation, is essential to the Delta economy.*** The manufacturing sector includes businesses with operations such as agricultural implement fabrication, wine production, and boat construction. Manufacturing comprises nearly 10 percent of Primary Zone employment, and it could potentially comprise a larger share in the future.
- ***Real Estate is closely tied to recreation, with several visitor-serving businesses categorized as real estate entities.*** Real estate businesses in the Primary Zone range from marinas to self-storage facilities to independent real estate brokers. Real estate generates more than 4 percent of jobs in the Primary Zone, more than 2.5 times the sector's share of employment in the five-county region.
- ***Construction businesses cluster in the Primary Zone.*** Firms in this industry comprise 9 percent of employment in the Delta, greater than this sector's 6.6 percent share of employment in the five-county region. Construction firms in the Primary Zone primarily engage in residential construction and are frequently found at the urban-rural fringe, where large lots are proximate to dense populations.

Other industry sectors that are not common in the Primary Zone, yet may be important to achieving overall sustainability in the future, include retail, healthcare, and transportation. If developed, firms in these sectors would support growth as well as provide benefits to the currently underserved resident population.

2 Assessment of Other Key Sectors¹¹⁹

In the Primary Zone, compared with the five-county region, there are relatively high employment concentrations in the agriculture, forestry, fishing, and hunting sector; real estate and rental and leasing sector; the manufacturing sector; and the construction sector. Based on recent data from the U.S. Census Bureau, these four sectors account for roughly 68 percent of Primary Zone employment, versus 17 percent of employment in the five-county region. The agriculture, forestry, fishing, and hunting sectors, which accounts for about 44 percent of employment in the Primary Zone, is discussed in detail in Chapter 6. Excluding agriculture, forestry, fishing, and hunting, the three other leading economic sectors make up 23 percent of Primary Zone employment, compared to 15 percent of employment in the five-county region. This section provides a detailed review of the three sectors and includes consideration of employment data and specific Primary Zone businesses.

¹¹⁹ The following is initial research and relies on establishment data and secondary resources. Companies referenced have not yet been contacted for verification of reported business data.

3 Manufacturing

According to the Bureau of Labor Statistics, the manufacturing sector is composed of firms that engage in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Firms in the manufacturing sector are typically described as plants, factories, or mills and primarily use power-driven machines. Businesses that create products by hand or make products at a residential property, such as bakeries, candy stores, or custom tailors, may also be included in this sector.

Approximately 9.8 percent of jobs in the Primary Zone are manufacturing, compared to 6.6 percent in the five-county region. Manufacturing firms in the Primary Zone range from 1-person businesses to companies with 60 employees.¹²⁰ The manufacturing firms in the Primary Zone are primarily located with good access to major roads and highways. The majority of manufacturing firms in the Primary Zone are related to agriculture.

Wilcox Brothers, Inc., is the largest manufacturing employer in the Primary Zone. Wilcox Brothers is an advanced agriculture tillage equipment design and manufacturer with roughly 60 employees.¹²¹ The company is based in Walnut Grove but serves the western United States, Mexico, Hawaii, and other areas. Wilcox Brothers is considered one of the leading manufacturers of agriculture tools and systems in the western U.S.

Other relatively large agriculture-related manufacturing firms include food processing companies. Robinson Farms Feed, a manufacturing-sector employer in the Primary Zone, supports approximately 20 employees.¹²² In business since 1975, the company manufactures animal feed and maintains a facility surrounded by miles of open agricultural fields south of Route 4. In addition, Del Monte Foods, one of the country's most well-known and largest producers and distributors of canned food products, runs a distribution facility located in Walnut Grove.

Related to both agriculture and tourism, wine manufacturing is increasingly important to the Primary Zone economy. The Clarksburg Wine Company is the largest wine manufacturing employer in the Primary Zone. The company runs a custom-crush facility. Other well-known wine manufacturers in the Primary Zone include River Grove Winery, Old River Vintners South, and River Grove Winery.

A manufacturing-sector business related directly to recreation in the Primary Zone, West Coast Canvas manufactures boat covers, boat tops, upholstery, awnings, and canopies. The company is located on Route 12 at the Tower Park Marina on Little Potato Slough at the south fork of the Mokelumne River. The company occupies a 5,000-square-foot facility and relies on the boat slips at the marina.

4 Real Estate and Rental and Leasing Sector

According to the Bureau of Labor Statistics, the real estate and rental and leasing sector is composed of establishments primarily engaged in renting, leasing, or allowing the use of tangible assets (e.g., real estate or equipment) or intangible assets (e.g., patents or trademarks). In the U.S., businesses in this sector sell, rent, and lease real estate and

¹²⁰ Hoovers, 2010.

¹²¹ Ibid.

¹²² Ibid.

equipment. This sector also includes firms that specialize in the management of real estate for others (e.g., property management companies) as well as appraisal firms.

Approximately 4.4 percent of jobs in the Primary Zone are categorized as being related to real estate and rental and leasing, compared to 1.7 percent in the five-county region. In the Primary Zone, businesses in this sector range from one-person firms to companies with eight employees.¹²³ These firms are primarily residential and commercial real estate property management and brokerage firms. Many of these firms specialize in real estate related to agriculture and recreation.

The real estate sector includes real estate operators and property management firms, including residential property and commercial property. A well-known Primary Zone firm is Carvalho Stanich Properties, the developer and operator of the Old Sugar Mill in Clarksburg. Other examples of property management include resort and residential real estate operations and leasing. The Arrowhead Harbor Marina near Clarksburg is operated by a business classified as a real estate entity. Similarly, Rancho Marina, a mobile home and recreation vehicle park and campground located on Andrus Island, is also operated by a real estate firm. Storage Plus, a self-storage property located west of Stockton, is another real estate business in the Primary Zone.

There are also several real estate brokerage firms that are active in the Primary Zone. These real estate businesses range from national real estate firms, such as Century 21, to agents working as sole proprietors.

5 Construction

Approximately 9.0 percent of jobs in the Primary Zone are in the construction sector, compared to 6.6 percent in the five-county region. Construction businesses in the Primary Zone range from independent general contractors to companies supporting 20 employees.¹²⁴ However, construction businesses in the Primary Zone are generally small and commonly operate their businesses out of residential properties. The construction businesses tend to locate near the edges of the Primary Zone, relatively near the urban areas they serve. Overall, the construction businesses in the Primary Zone generally focus on residential work, though there are some commercial and heavy construction firms.

6 Assessment of Other Sectors

There are other sectors that are not currently prevalent in the Primary Zone that may be important to achieving overall sustainability in the future. This section examines the retail, health care, and transportation and warehousing sectors in the Primary Zone.

7 Retail

Retail is scarce in the Primary Zone. The retail sector only accounts for approximately 2.0 percent of jobs in the Primary Zone, versus 11.5 percent in the five-county region. There are no regional chain supermarkets or grocery stores, but the Primary Zone does have some small convenience markets. There are no modern retail shopping stores and few, if any, national retailers in the Primary Zone. The retail businesses are typically small, locally-owned, independent shops, with fewer than 15 employees.¹²⁵ Most retail stores are located in Legacy

¹²³ Ibid.

¹²⁴ Ibid.

¹²⁵ Ibid.

Communities, near restaurants and other commercial uses, though marinas and other recreation businesses also sell retail goods to residents and visitors. Many commonly-needed goods are unavailable at local stores, and consequently residents of the Primary Zone frequently shop outside the Primary Zone.

8 Health Care

There are no hospitals located in the Primary Zone, and the health care and social assistance sector only accounts for approximately 2.1 percent of jobs, as compared with 12.2 percent in the five-county region. Health care businesses in the Primary Zone employ up to 15 workers and include child care facilities, dentists' offices, doctors' offices, and chiropractors' offices.¹²⁶ Additional health care services in the Primary Zone would help meet the needs of an aging Primary Zone population, support population growth, and improve access to care for currently underserved residents.

9 Transportation and Warehousing

Transportation and warehousing establishments in the Primary Zone include the U.S. Postal Service, trucking companies, and warehousing services. Only 0.9 percent of the jobs in the Primary Zone are categorized as transportation and warehousing. These companies employ up to about 10 employees.¹²⁷ These firms are primarily located in commercial and industrial areas of the Primary Zone. While this sector has a strong linkage with agriculture, transportation and warehousing firms generally prefer locations with exceptional transportation access, such as areas along major highways in the Secondary Zone. However, localized transportation and warehousing is an essential element of the supply chain for agricultural products. Targeted expansion of this industry will likely be important to economic sustainability in the Primary Zone.

¹²⁶ Ibid.

¹²⁷ Ibid.